

ALASKA STATE LEGISLATURE
SENATE HEALTH AND SOCIAL SERVICES STANDING COMMITTEE

January 20, 2022

1:30 p.m.

MEMBERS PRESENT

Senator David Wilson, Chair
Senator Shelley Hughes, Vice Chair
Senator Mia Costello
Senator Lora Reinbold
Senator Tom Begich

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 168

"An Act requiring the Department of Health and Social Services to provide and allow submission of an electronic application for certain state benefits; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 168

SHORT TITLE: ELECTRONIC APPLICATION FOR STATE BENEFITS

SPONSOR(S): REPRESENTATIVE(S) SNYDER

04/09/21	(H)	READ THE FIRST TIME - REFERRALS
04/09/21	(H)	HSS, FIN
04/13/21	(H)	HSS AT 3:00 PM DAVIS 106
04/13/21	(H)	Heard & Held
04/13/21	(H)	MINUTE(HSS)
04/15/21	(H)	HSS AT 3:00 PM DAVIS 106
04/15/21	(H)	Moved HB 168 Out of Committee
04/15/21	(H)	MINUTE(HSS)
04/16/21	(H)	HSS RPT 5DP 1DNP 1NR
04/16/21	(H)	DP: FIELDS, SPOHNHOLZ, MCCARTY, SNYDER, ZULKOSKY
04/16/21	(H)	DNP: PRAX
04/16/21	(H)	NR: KURKA

04/16/21	(H)	FIN REFERRAL REMOVED
04/16/21	(H)	BILL REPRINTED
04/28/21	(H)	TRANSMITTED TO (S)
04/28/21	(H)	VERSION: HB 168
04/30/21	(S)	READ THE FIRST TIME - REFERRALS
04/30/21	(S)	HSS, FIN
01/20/22	(S)	HSS AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

REPRESENTATIVE LIZ SNYDER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 168.

ARIELLE WIGGIN, Staff
Representative Liz Snyder
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented the sectional analysis for HB 168.

RON MEEHAN, Policy and Advocacy Manager
Food Bank of Alaska
Anchorage, Alaska

POSITION STATEMENT: Provided invited testimony on HB 168.

SHAWNDA O'BRIEN, Director
Division of Public Assistance
Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Answered questions on HB 168 on behalf of the division.

ACTION NARRATIVE

[1:30:18 PM](#)

CHAIR DAVID WILSON called the Senate Health and Social Services Standing Committee meeting to order at 1:30 p.m. Present at the call to order were Senators Begich, Costello, Reinbold, Hughes, and Chair Wilson.

HB 168-ELECTRONIC APPLICATION FOR STATE BENEFITS

[1:31:25 PM](#)

CHAIR WILSON announced the consideration of HOUSE BILL NO. 168 "An Act requiring the Department of Health and Social Services

to provide and allow submission of an electronic application for certain state benefits; and providing for an effective date."

[1:31:52 PM](#)

REPRESENTATIVE LIZ SNYDER, Alaska State Legislature, Juneau, Alaska, paraphrased the sponsor statement for HB 168.

[Original punctuation provided]

House Bill 168 will modernize public assistance applications by creating an option for recipients to apply and re-apply for benefits electronically.

The COVID-19 pandemic caused an increase in applications for public assistance programs and highlighted the need for administrative efficiencies. In 2020, SNAP application processing backlogs cleared up due to COVID-19 related application requirement waivers, but the significant administrative burden will return when those waivers lapse.

Currently, Alaska is one of the last states without a fully electronic application for SNAP benefits. Applicants can fill out a form online, but still need to print, sign, and either send it through the mail or physically deliver to a department location. This creates a high administrative burden for both the applicant and the Division of Public Assistance. A fully electronic application option will increase administrative efficiencies, reduce any current and future application backlogs, and improve processing times.

The Department of Health & Social Services has started working on introducing online applications. HB 168 sets the stage for regulation, appropriation, and implementation of these processes. It ensures a reasonable timeline for implementation and that, once available, online applications will always be available.

Many Alaskans benefit from the services provided by the Division of Public Assistance. The statutes and regulations that guide our responses must keep pace with the needs of our communities. HB 168 will increase accessibility to important resources for

families in need, and I urge you to join me in supporting this bill.

1:32:32 PM

REPRESENTATIVE SNYDER emphasized that HB 168 does not remove any existing mechanism or opportunities for individuals to apply for public assistance. It simply adds an online option. She stated that the application must be filled out and printed. It can be mailed in, faxed, scanned, photographed and emailed, or hand-delivered to one of the Division of Public Assistance offices listed on the form.

REPRESENTATIVE SNYDER listed the programs for which HB 168 would authorize online electronic applications, including Medicaid for Chronic and Acute Medical Assistance, the Supplemental Assistance Program (SNAP), Adult Public Assistance, Senior Benefits Program, Heating Assistance, Women, Infants & Children (WIC), and Commodities Supplemental Food Program for seniors over 60. It would allow for online renewals and recertification.

REPRESENTATIVE SNYDER stated that Alaska is one of the only states that has not modernized the process of applying for public assistance. She explained that the division currently requires a wet signature. HB 168 would make using an electronic signature an option.

REPRESENTATIVE SNYDER explained that some applications are lengthy and complex, so having an online form would save costs by reducing administrative time and delays. She worked closely with the Department of Health and Social Services (DHSS) in developing this bill. It supports DHSS's modernization efforts. Authorizing online electronic applications in statute would allow the department to implement processes, develop regulations, accept appropriations, and ensure a timeline.

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REPRESENTATIVE SNYDER said that the governor's FY 2022 and FY 2023 budgets already account for the anticipated efficiencies. She stated that members may recall the FY 2022 discussions, including a \$3.4 million Unrestricted General Fund (UGF) match was cut, along with 101 public assistance positions. The Governor's FY 2023 budget eliminated those positions. The Governor's FY 2022 budget eliminated \$848,000 in UGF matching funds in anticipation of postage, printing, and envelopes due to online submission forms. The FY 2023 budget eliminates an additional \$215,000 related to unneeded technology for the 101 eliminated positions. She emphasized the importance of moving

the process forward since the department counts on having functioning online forms.

1:36:24 PM

REPRESENTATIVE SNYDER, in closing, stated that providing statutory language will be helpful to ensure that eligible Alaskans have access to the services that get them back on their feet. It is important that the state achieves and maintains these planned efficiencies.

CHAIR WILSON asked the sponsor's staff to proceed with the sectional analysis.

1:36:59 PM

ARIELLE WIGGIN, Staff, Representative Liz Snyder, Alaska State Legislature, Juneau, Alaska, read the sectional analysis for HB 168.

[Original punctuation provided]:

Sec. 1: Adds a new subsection (19) to AS 47.05.010 Duties of Department requiring the Department of Health and Social Services to create and provide an entirely online application process for individuals applying for public assistance and defines an online application. It does not mandate applicants apply online or remove the written option.

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Sec. 2: Amends AS 47.08.150(b) Assistance For Chronic or Acute Medical Conditions by adding language requiring the Department of Health and Social Services to establish an entirely online application process for individuals applying for the Chronic and Acute Medical Assistance program.

Sec. 3: Adds a new subsection (6) to AS 47.25.001(a) Powers and Duties that requires the department establish an entirely online application process and allows applicants to apply in any form required by state and federal law.

Sec. 4: Adds a new section (7) to AS 47.25.071(e) Child Care Grant Program that requires the department establish an entirely online application process for assistance under the Child Care Grant Program.

1:38:04 PM

MS. WIGGIN continued reading the sectional analysis for HB 168.

[Original punctuation provided]

Sec. 5: Amends AS 47.25.095 Definitions For Day Care Assistance and Child Care Grant Programs to define electronic application.

Sec. 6: Amends AS 47.25.150 Application For Assistance by adding language requiring the Department of Public Assistance to establish an entirely online application process for individuals applying for assistance from the department and defines an online application.

Sec. 7: Amends AS 47.25.440 Application For Assistance by adding language requiring the Department of Health and Social Services to establish an entirely online application process for individuals applying to receive Adult Public Assistance and defines an online application.

1:38:47 PM

Sec. 8: Adds a new subsection (4) to AS 47.25.622 Alaska Affordable Heating Program requiring the Department of Health and Social Services to create and provide an entirely online application process for individuals applying for the Alaska Affordable Heating Program and defines an online application.

Sec. 9: Adds a new subsection (4) to AS 47.25.980(a) Duties of Department requiring the Department of Public Assistance to create and provide an entirely online application process for individuals applying for the Supplemental Nutrition Assistance Program and defines an online application.

Sec. 10: Amends AS 47.27.020(a) Application Requirements by adding language requiring the Department of Public Assistance to establish an entirely online application process for individuals applying for the Alaska Temporary Assistance Program. Defines online application.

Sec. 11: Amends AS 47.45.302(a) Cash Assistance Benefits by adding language requiring the Department

of Health and Social Services to establish an entirely online application process for individuals applying for the cash assistance program. Defines online application.

Sec. 12: Adds a new section to the uncodified law of the State of Alaska allowing the Department of Health and Social Services to adopt regulations needed to create and implement online applications.

Sec. 13: Requires Section 12 to take effect immediately under AS 01.10.070(c).

Sec. 14: Provides an effective date of July 1, 2022.

[1:40:24 PM](#)

SENATOR REINBOLD asked for the total number of people the online application would affect.

REPRESENTATIVE SNYDER deferred the question to the director of the Division of Public Assistance.

[1:40:56 PM](#)

CHAIR WILSON said he anticipated that the director would join the meeting shortly.

[1:41:10 PM](#)

SENATOR REINBOLD recalled HB 168 would allow for the option to apply online, but the sponsor said the department is already doing so. She said she was a little confused.

[1:41:21 PM](#)

REPRESENTATIVE SNYDER responded that the department was adding the option. She related her understanding that online applications are permitted but not required. HB 168 would require an option for online application submittals.

[1:42:04 PM](#)

SENATOR REINBOLD expressed concern with potential data breaches by allowing for online applications.

[1:42:31 PM](#)

SENATOR BEGICH advised members that the state has already budgeted for DHSS's implementation of an electronic online application system. This ensures that the state cannot backslide. He related his understanding that the state could end

up where the DHSS cannot process applications because the positions were already removed.

1:43:20 PM

REPRESENTATIVE SNYDER responded that it was a fair concern. She said the division's budget was significantly cut in direct anticipation of the availability of the electronic application. She elaborated that the 2015 Division of Legislative Audit, Performance Review of the Department of Health and Social Services noted that the backlog was five to six months. She understood that this backlog grew at the onset of the pandemic. She suggested that the director could provide those specifics. In 2020, the division hired approximately 20 people to handle the backlog. Although the division reduced the backlog to 3-5 days, it could find itself with a significant backlog once again.

1:44:15 PM

SENATOR BEGICH said he shared Senator Reinbold's concern about data breaches and would like to discuss them once the division director was online. The sectional analysis referred to entirely online applications. He asked for clarification that she meant that all DPA programs would allow for an online process, but the division would still allow for paper applications.

REPRESENTATIVE SNYDER agreed. She said "entirely" referred to the applicant's ability to press "submit," and the person's electronic signature would be attached to the application and submitted online. The form is currently online, but the applicant cannot submit it online.

1:45:18 PM

SENATOR BEGICH asked for clarification that "entirely" means applicants can fill out and sign their application online just as Alaskans sign their permanent fund dividend application online.

1:45:44 PM

REPRESENTATIVE SNYDER responded that is correct.

1:45:52 PM

SENATOR HUGHES echoed the same cybersecurity concerns about breaches because applicants disclose personal information. She asked how many positions the division needed if it only used paper applications. She said she would like to determine the actual cost savings in positions and dollars.

[1:47:18 PM](#)

REPRESENTATIVE SNYDER reported that 44 of the 101 positions cut in the Governor's FY 2023 budget were vacant for at least six months. The department filled an additional 56 positions for a short time. The division functioned without them.

[1:48:23 PM](#)

SENATOR HUGHES pointed out that she did not see Medicaid listed as one of the programs.

REPRESENTATIVE SNYDER answered that one component of Medicaid, the Chronic and Acute Medical Assistance (CAMA), is part of the multi-application online form.

SENATOR HUGHES offered her understanding that Medicaid is not an online process.

REPRESENTATIVE SNYDER answered that is correct.

[1:49:16 PM](#)

CHAIR WILSON turned to invited testimony.

[1:49:42 PM](#)

RON MEEHAN, Policy and Advocacy Manager, Food Bank of Alaska, Anchorage, Alaska, spoke in support of HB 168. He stated that the Food Bank of Alaska has a robust federally-funded Supplemental Nutrition Assistance Program (SNAP) carried out in partnership with the state. The food bank provides education, outreach, application assistance, and critical status updates for current and potential SNAP recipients. Nearly 25 percent of Alaskans eligible for SNAP do not access the program.

MR. MEEHAN said Alaskans face significant and unique challenges in accessing benefits. One major barrier is a lack of options to apply, which the creation and addition of an online program will reduce. Alaska currently uses a paper application that requires a pen-to-paper "wet" signature for SNAP and many other programs. Although there is an online submission option, it requires a person to use a finger or stylus signature not available to many applicants. Not all communities have a Division of Public Assistance (DPA) office and due to COVID-19, offices are closed. Thus, it can be challenging for applicants to obtain a paper application.

MR. MEEHAN explained that some clients don't have access to the PDF application online, some don't have printing or mailing capabilities, and some need help walking through and

understanding the questions on the 28-page application. The Food Bank's SNAP Outreach team helps people via the phone, asking questions and filling out the application for them. If clients don't have printing capabilities, which many do not, the food bank's staff mails the application to them with a pre-paid return envelope. The client can review, sign and mail back the application. This process can take weeks for rural residents who often do not ultimately submit their applications.

[1:51:45 PM](#)

MR. MEEHAN stated that some clients have access to the internet and could self-submit their forms online, with phone assistance from staff, which saves mail time and postage. Further, the outreach team could assist the application process for clients needing multiple benefits since they can identify the necessary forms, simplifying a daunting process. An online application could be designed to be predictive, requiring clients to answer relevant questions and provide explanations as needed. Streamlining the application process could create efficiencies in DPA's processing and the food bank's outreach efforts. An online SNAP application process would eliminate the need for printing thousands of applications every year. An online SNAP application would allow applicants to reach the service, complete the application at their own pace and receive benefits timely. It is one of the surest ways to ensure access to benefits in a state as unique and diverse as Alaska.

[1:53:12 PM](#)

CHAIR WILSON thanked Mr. Meehan for the services that he provides to Alaskans.

[1:53:25 PM](#)

CHAIR WILSON opened public testimony on HB 168; finding none; he closed public testimony. He stated that the committee would accept written testimony at shss@akleg.gov until Monday, January 24 at 5:00 p.m.

[1:53:58 PM](#)

At ease

[2:02:04 PM](#)

CHAIR WILSON reconvened the meeting.

[2:02:26 PM](#)

SHAWNDA O'BRIEN, Director, Department of Health and Social Services, Division of Public Assistance, Juneau, Alaska, introduced herself.

2:02:46 PM

SENATOR REINBOLD asked how many Alaskans receive benefits that would be affected by HB 168.

MS. O'BRIEN answered that approximately 275,000 to 300,000 Alaskans receive public assistance benefits.

2:03:24 PM

SENATOR REINBOLD asked for the purpose of the bill since the department was already putting its applications online.

MS. O'BRIEN answered that the department was currently developing online electronic applications. The department does not need statutory authority to continue doing so. She deferred to the bill sponsor to respond.

2:04:15 PM

CHAIR WILSON related his understanding that this bill changes the "may" to a "shall."

REPRESENTATIVE SNYDER agreed that the statutory changes were not needed to make the online application possible. However, placing it in statute ensures that electronic, online applications would always remain an option. Electronic applications modernize the department's process by improving services and efficiencies.

2:04:57 PM

SENATOR REINBOLD said she had planned to amend the bill on page 1, line 7 to change "shall" to "may" to ensure data privacy. She referred to the language in paragraph (3) "minimum standards for personnel employed by the department and adopt necessary regulations to maintain those standards;". She asked what types of standards the department should put in place.

SENATOR BEGICH clarified that this language is an existing statute and is not being changed by HB 168. Those provisions are necessary for the department to operate. He referred to page 4, lines 1-7, for the new language related to the electronic application process.

2:06:02 PM

SENATOR REINBOLD said that the testimony given conflicts with changing the language from "may" to "shall". She asked for clarification.

2:06:21 PM

CHAIR WILSON referred to page 4, paragraph (19), for the statutory change that would require the department to establish an electronic application process for all assistance programs. He explained that [AS 47.05.010 paragraphs (1)-(18)] is existing statutory language outlining the duties of the department.

[2:06:53 PM](#)

MS. O'BRIEN agreed that the only change HB 168 made was to allow applicants to submit their applications through an online electronic process.

[2:07:20 PM](#)

SENATOR BEGICH stated that the language is "may" because it currently doesn't exist in statute. Applicants could choose to submit their applications online or choose not to do so.

[2:07:36 PM](#)

At ease

[2:08:37 PM](#)

CHAIR WILSON reconvened the meeting.

[2:08:44 PM](#)

SENATOR REINBOLD expressed concern if the statute read "shall" that the division would be forced to keep the electronic application online if a data breach occurred.

[2:09:21 PM](#)

REPRESENTATIVE SNYDER acknowledged and agreed that Alaska's privacy concerns are of the most importance. She deferred to Legislative Legal Services to respond to the effects of the [September 16, 2021, DHSS] data breach.

[2:10:07 PM](#)

CHAIR WILSON asked if the data breach caused any temporary halts to programs and any consequences for the department.

[2:10:29 PM](#)

MS. O'BRIEN answered that the division experienced some disruptions. The childcare assistance and licensing system was completely disrupted and wholly taken offline. Other systems were partially affected if they were housed on a server affected by the cyberattack. The division accepts paper forms and documents but using a manual rather than an automated process takes more time. She said this results in work backlogs, which happened with the Child Care Program and the Alaska Temporary Assistance Program (ATAP) work service program. The cyberattack

affected the division primarily through inefficiencies and backlogs. She highlighted that any automated or online system requires an option for people to submit paper applications, which the division would continue to offer. The division receives applications by fax, email, photographed and emailed, or by the online application process currently being developed.

2:13:36 PM

SENATOR HUGHES asked if anything requires the department to shut down its online application process if it suffers a security breach.

2:14:22 PM

MS. O'BRIEN answered that the state and DPA have protocols in place if a breach or infiltration occurs. For example, during a cyberattack the division would take the affected servers or network connections offline. The division would assess whether any data was infiltrated or accessed, and it would revert to solely using paper applications as a backup to allow Alaskans to apply for services. Some protocols were related to continuity of services, and others were federal requirements imposed on the department.

2:15:58 PM

SENATOR HUGHES stated that internal protocols could change. She acknowledged that current protocols might be based on best practices. However, the Alaska Constitution provides for privacy protections. She said she supports the department moving towards electronic application processes for cost savings and efficiencies. She acknowledged the committee would want to discuss the statutory language with Legislative Legal. She suggested that protocols should require the department to revert to paper applications until it was safe to go online.

2:17:26 PM

CHAIR WILSON suggested those cybersecurity protocols might already be in place. For example, the commissioner might be able to waive statutory requirements.

2:17:49 PM

SENATOR COSTELLO highlighted that cybersecurity is critical. She remarked that the Senate State Affairs Committee will hear a presentation on cybersecurity today, which members may want to attend.

2:18:21 PM

SENATOR BEGICH referred to Sections 10 and 12, which provided regulatory transition language. She asked if the department's regulations would establish any protocols.

[2:18:49 PM](#)

MS. O'BRIEN explained that she is not an expert on the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and confidentiality requirements, so she would defer to the Department Security Office. Still, the division must adhere to confidentiality requirements associated with federal oversight purposes and not look to the electronic application language to satisfy those requirements.

[2:20:12 PM](#)

SENATOR BEGICH recalled that the Administrative Procedures Act refers to the federal laws and protections. He asked if HIPAA would be referred to in the regulatory processes.

[2:20:40 PM](#)

MS. O'BRIEN answered that he was correct.

SENATOR BEGICH related his understanding that there are protections in the federal laws that require the state to adhere to specific confidentiality and privacy guidelines. He said the broader questions Senators Hughes and Reinbold asked directly related to DHSS's data breach. This act states that consumers could use electronic submittal of data as an option. He wondered what protections DPA has in response to the data breach to assure Alaskans that this isn't doing anything to expand data risk.

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MS. O'BRIEN deferred to the DHSS Department Security Office (DSO) or the Department of Administration, Office of Information Technology, State Security Office for specific details.

[2:22:36 PM](#)

SENATOR BEGICH suggested that the committee could request a presentation on data breaches from the Department Security Office.

SENATOR BEGICH stated that Alaska has an indigenous population whose first language may not be English. He asked if the division works with public interest groups to identify ways to ensure that the forms are accessible online in various languages.

2:23:50 PM

MS. O'BRIEN answered that the division contracts for interpreter services through LanguageLine. LanguageLine provides interpretation for over 200 languages to assist clients with online or paper applications. The division has limited options to offer all languages in written form, but it works to communicate with individuals on how to obtain those services.

2:25:00 PM

SENATOR BEGICH asked if the division assists those with disabilities.

MS. O'BRIEN answered yes. The division understands this is an area that the department could continually improve. She said that electronic options offer variety and alternative solutions.

2:25:41 PM

SENATOR BEGICH pointed out that not all Alaskans have access to high-speed internet. He asked if the division would provide paper applications for those with low bandwidth.

MS. O'BRIEN answered that the paper process is currently one option for those with low bandwidth. She reported that with the implementation of the Virtual Contact Center, the division could accept applications via the phone, including authorizing applicants to use electronic signatures. The application via phone will still be an option once the online electronic application process is in place. She characterized it as a positive solution.

2:27:14 PM

SENATOR BEGICH remarked if he were the governor and asked the director to stop using the electronic forms if she would do so.

MS. O'BRIEN answered that she would have to honor the request.

SENATOR BEGICH stated that is why HB 168 should place "shall" in statute, so long as the data is protected.

SENATOR REINBOLD said she supports privacy protections provided in Article I, Section 22 of the Alaska Constitution. She opined that the legislature was failing to meet its constitutional obligations to do so. She expressed concern that if the language reads "shall," it could create liability if the power shuts down. She said she was glad the legislature was getting briefed on cybersecurity because of the significant DHSS data breach. She stated that the committee shared concerns about potential

cyberattacks and the importance of protecting Alaskan's personal information.

2:30:18 PM

CHAIR WILSON asked if DPA has the means to detect fraud and verify the individual if the application is not signed.

2:30:48 PM

MS. O'BRIEN responded that the division uses standard authentication requirements. The online electronic application process will use multiple steps to validate and verify the identity of recipients. The DPA has a Fraud Control Unit that reviews recipients through data mining. For example, people can submit their Medicaid applications using a myAlaska account to authenticate their identity. Members may have used myAlaska to apply for their fishing license or permanent fund dividend and may be familiar with the steps embedded in that process. The DPA hopes to use similar authentication requirements for other programs.

2:32:16 PM

CHAIR WILSON pointed out he could purchase fishing licenses for other individuals so long as he has their personal information. He asked whether the person receiving public assistance benefits must apply or if another person could apply on their behalf.

2:32:37 PM

MS. O'BRIEN answered that an authorized representative could apply for another person since some people require assistance. She said that the division would use its Fraud Control Unit to detect fraud.

2:34:23 PM

SENATOR REINBOLD said she was astonished that people could apply by phone. She stated that [the Department of Health & Social Services and Department of Law Joint Legislative Report on Fraud, Abuse, and Waste required under AS 47.07.076] identified issues. She suggested adding language to the bill to ensure that the state is not expanding a broken program. She asked the sponsor to identify the goal.

REPRESENTATIVE SNYDER said she was unsure she could rephrase the goal of the bill in another way.

2:35:40 PM

SENATOR BEGICH asked what the division currently does to protect consumers from anyone purchasing their personal information.

[2:36:40 PM](#)

MS. O'BRIEN answered that the data and security protocols require the division to follow HIPAA and confidentiality standards. A person's personal information is protected from the point that they sign into their myAlaska account to submit their Medicaid application through multiple layers and levels by the state's security system. She offered to provide the committee with specific citations to ensure that applicants' information is secure from third parties and the federal regulations that provide oversight on how the agency must protect personal information.

[2:37:58 PM](#)

SENATOR BEGICH acknowledged that he would like the information to understand the consumer protections. He asked for the incidence of fraud for the 275,000 to 300,000 DPA recipients.

MS. O'BRIEN answered that the department produces an annual report that outlines cases of fraud that she could share with the committee.

[2:38:59 PM](#)

SENATOR REINBOLD said she was unaware of any statutes imposing penalties for individuals committing fraud, just for providers. She expressed concern that people could apply for benefits in Hawaii, then come to Alaska and apply for them here. She emphasized that her concern is over a gargantuan program that the state needs to fix so the program will be sustainable.

[2:39:52 PM](#)

CHAIR WILSON stated that fraud is theft, so the Department of Law could prosecute the individuals for theft of services.

[2:40:41 PM](#)

REPRESENTATIVE SNYDER emphasized the three primary motivators for introducing HB 168. It modernizes the Division of Public Assistance process in statute to ensure it is robust, resilient, and cannot be revoked on a whim. In 2006, the USDA recommended an online electronic application process to achieve efficiencies and improve access to programs. Alaska is one of the last states to change. She offered to research how other states have handled some of the issues. Second, HB 168 would remove barriers to access. As Mr. Meehan from the Food Bank of Alaska testified, only about 75 percent of eligible Alaskans participate in their programs. Some of that limitation is due to access. She pointed out that sometimes the back and forth between the applicant and

the agency results in the recipient quitting the process. Third, the goal is to achieve improved efficiencies. HB 168 can help the state operate the programs at lower costs and redirect some staff time and resources to the important concerns raised, including fraud and security issues. The 2015 Division of Legislative Audit, Performance Review of the Department of Health and Social Services recognized the Division of Public Assistance for its efforts to address fraud. She offered to research to find answers to the questions she could not answer today and report back to the committee.

2:43:20 PM

CHAIR WILSON held HB 168 in committee.

2:43:50 PM

SENATOR BEGICH pointed out that AS 47.05.210 refers to Medicaid fraud as a criminal offense, punishable as a class A misdemeanor.

2:43:59 PM

SENATOR REINBOLD recalled from subcommittee work that the penalties were for providers.

SENATOR BEGICH responded that AS 47.05.210 applies to applicants.

SENATOR REINBOLD said she would research this because she did not believe the division was actively pursuing fraud cases. She said the audit identified it as a significant problem.

2:44:27 PM

CHAIR WILSON recalled that the report related to fraud, waste and abuse that will come out in November [required by AS 47.07.076].

2:44:47 PM

There being no further business to come before the committee, Chair Wilson adjourned the Senate Health and Social Services Standing Committee meeting at 2:44 p.m.